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ABSTRACT

Public library financing has recently become an increasingly important concern with shrinking resources, substandard services, and urban problems. The situation has become so acute that the very survival of the institution is at issue. The quality and utilization of services are serious matters, and states and localities must recognize their responsibilities. The federal government has a role too, for leadership and financing must come from that level. The main problem is that library expenditures have not kept pace with public expenditures and public needs. While several financing options are available, a balanced intergovernmental funding system should offer a dynamic partnership of federal, state, and local governments. A new and broader kind of federal commitment geared to an expanded and improved pattern of public library services for the nation is proposed. (WH)

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Issues and Options in the Financing of the Public Library*

My objective here today is to present for your consideration some of the issues and options currently relevant to the financing of the public library.

It is perhaps true that, at any time during the past several decades, one could say this is a timely topic. However there are some factors at play which give added justification to the use of that phrase today. Libraries are in trouble financially; present service levels are substandard while new functional demands, particularly in urban jurisdictions, are surfacing. As we all know, efforts have been made to eliminate LSCA funding in favor of revenue sharing; there is also a new Federal funding initiative currently under review and discussion. The Federal role is thus changing and the future pattern is not yet clear. All of these factors serve to place new emphasis on the role of local and state government in administering and supporting the development of an adequate pattern of public library services available to all citizens. Other developmental trends, factors and problems could be added.

Thus, it is indeed timely that the library community should examine and evaluate these forces as a basis for determining

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the most feasible option for future funding in support of adequate library service levels. This is more than a local problem and, I would submit, it is more than a state problem. I would join others who have described public libraries as an underdeveloped national resource. Development and maintenance of public library services adequate to meet the needs of a modern society is an intergovernmental fiscal and functional problem of significant importance today. I was happy to read in the President's education message earlier this year his reaffirmation of the existence of a Federal role in insuring the provision of library services, but there are still many unresolved issues. This group and the entire American Library Association should now make every effort, to build consensus and to unify the efforts of the entire library community to develop a viable intergovernmental financing system for the public library. The time to move on this is NOW.

During the past two years, our organization - Government Studies and Systems of Philadelphia - has completed a number of studies, related directly or indirectly to financing the public library, which I shall be using as a base for this presentation. "Basic Issues in the Governmental Financing of Public Libraries" was completed early in 1973 as one of the commissioned papers in the Commissioned Papers Project financed by USOE through Columbia University. For your information, that paper has been published as part of the Hearings of the Select Subcommittee on Education of the House of Representatives (H.R.J. 734 and 736, November 29, 1973). A second study "Alternatives for Financing the Public

Library" was prepared for the National Commission on Libraries and Information Science. The report on this study was presented to the Commission about a month ago and will be published. Within the past month, we completed a second contributio- to the Commissioned Papers Project. This paper is entitled "The Role of the State in the Development of Public Library Services." While all of these studies are obviously related, I shall rely most heavily on the NCLIS study of financing alternatives in these remarks.

These studies have produced a number of general conclusions about public library services, relevant development trends, role questions and fiscal issues. I would like to share these with you as a basis for later examining alternative financing options. Taken together, these statements are intended to represent an overview summary of issues related directly or indirectly to the financing question.

General Developmental Issues: An Overview

1. In many states, a full variety of fiscal, functional and developmental issues now confronts the publi. library, the resolution of which will determine whether we are likely to witness a resurgence or the slow but sure demise of a unique American institution.

2. Notwithstanding changes in readership needs and demands, revolutionary advances in media technology and spotty performance patterns, it is inconceivable from a public

policy viewpoint that the institution whose basic responsibility is to "maximize the social utility of the graphic record" should be allowed to fade from existence, or to operate at performance levels far below its potential. In a society marked by vast social, economic and cultural cleavages, a less than adequate performance record of public education institutions, and increasing demand for information and new technologies, the public library has a vital role to play. It is a basic business of government, at all levels, to insure the institution's viability and progressive development.

3. The public library, as it has evolved in the United States, should be viewed as a multi-purpose agency. As Lowell Martin has pointed out, its clientele varies from the most advanced researchers to children engaging in their first reading experience. In institutional form, it should be perceived as both the unique collection of the New York Public Library and the upstairs room of the local village hall. In this context and for the widest variety of clients, all of whom are equally entitled to service, the public library's role is to offer (1) specialized and research services, (2) information services and (3) to perform an informal educational and cultural function.

4. The functional uniqueness of the public library as a non-specific cultural institution and information resource, coupled with its history of philanthropic support and its low political profile should be viewed, properly, as both an asset and a liability. These and other related characteristics, particularly the exclusionary developmental pattern of public education, have helped to thwart movement of libraries into the mainstream of either education or general governmental services.

5. Legitimate and serious questions can be raised concerning the effective utilization of public library services and the capabilities of the conventional library to provide effective services to meet a widely varying and changing pattern of needs. The institutional library can be faulted for response and performance failures. However, from an overall governmental perspective, it must be recognized that lack of effective state mandate, the essential localism of the public library institution, weak supervisory structure, low political visibility and, above all, an inadequate and out-of-balance fiscal support pattern are the major contributing factors to performance failures.

6. Clearly, the state level of government has prime responsibility for the development and adequate, consistent fiscal support of public library services in all its subordinate jurisdictions. It has adequate fiscal resources to provide needed increases in public library expenditures over the

current low levels in most states. State chief executive officers and legislative leaders must be made more fully aware of the need for a strengthened state mandate and leadership role in developing improved public libraries, and they must provide a vigorous, aggressive state-level agency equipped and supported to do the job.

7. There is also a legitimate and essential Federal role to insure the progressive development of public library services at the local level, and as a regional and national resource. The Federal role should be implemented through funding programs to encourage and assist sound development patterns, to make possible innovative and responsive library services, and to insure the closing of needs-resources gaps at state and local jurisdictional levels.

8. The Library Services and Construction Act has served useful purposes in the almost two decades of its existence. It has had modest success in activating state response and state-local funding systems for public libraries. It has suffered, however, from a widening authorization-appropriation gap, an excessive expenditure of funds simply to maintain the status-quo, and an ineffective plan device. More importantly, it does not project the image of full intergovernmental commitment required to establish and maintain progressively improved public library services designed to meet the needs of a modern society.

Fiscal Factors and Intergovernmental Financing Issues

1. State and local expenditures for public libraries are extremely small relative to spending for other domestic services and has been growing more slowly than the state-local sector generally.

2. It is of fundamental importance to shift a significant portion of the heavy fiscal burden for public library support now placed on local governments. Public library services are essentially local; proximity, access, public and community support must be maintained at the local level. Yet, benefits from library services accrue at the regional, state and national levels and the funding system should more adequately reflect this balance. Large urban centers and other cities saddled with high municipal service costs and facing the greatest need for new, innovative library programs have perhaps the greatest difficulty in financing improved library and other social-cultural services.

3. The original conception of a program of revenue sharing did not include the wholesale replacement of categorical Federal funding in support of developmental programs with national significance. Even though public libraries are included in the revenue sharing act as a legitimate item for the expenditure of such funds locally, it is apparent that the amount of additional funds required for the up-grading of public library services will not be provided

through general revenue sharing. The form and nature of special revenue sharing or grant consolidation has not yet emerged.

4. New or redefined conceptions of Federalism, Revenue Sharing and the continuing impact of Watergate have spurred devolution of a degree of responsibility, authority and political clout to state and local jurisdictions. States and their governors, particularly, are beginning to respond with new and vigorous leadership on a wide front of domestic and consumer oriented programs and policies. The time is ripe to seek expansion of state responsibility and leadership in the public library area.

5. State governments have been moving toward a more productive and economy-sensitive revenue structure. With few exceptions, states have the fiscal capacity to pick up any slack resulting from curtailment of Federal library aid and, indeed, to increase their participation in library financing.

6. A substantial shift in library financing from the local to the state level (at least 50 percent of the non-Federal cost) could raise the general level of library expenditure and at the same time help eliminate interlocal disparities in the provision of library services.

7. Based on the $814 million national expenditure, the per capita rate of expenditures in 1971-72 was approximately

$4.00. An exemplary program, such as found in Nassau County, New York, cost just under $12.00 per capita in the same year. Current calculations for Nassau County indicate a present cost level of almost $14.00 per capita. It is, of course, impossible to replicate instantly and nationwide the type of library facilities and service coverage found in Nassau County. But it is within the realm of the possible to propose a national per capita cost range of $8.00-$10.00 as the planning base for an adequate national program of public library services. Total national expenditures might then approximate a range of between $1.7 billion and $2.1 billion, based on 1974 population estimates.

Financing Options

Based generally on this examination of critical or key issues, a series of five options can be considered in developing alternative systems for financing public library services. They can be identified as : (1) status quo featuring no change from the present system, (2) a retrenchment of the Federal Government financing role, (3) direct Federal funding at a 75-90 percent of total cost level, (4) expanded state funding role to the 75-90 percent level, and (5) a staged funding program moving toward a balanced intergovernmental funding system. These alternatives are intended as a strategic, rather than an exhaustive grouping of possible options.

Our report to the National Commission examines the pros and cons of each of these alternatives in both realistic as well as goal oriented terms. Let me dismiss the first four very quickly and spend a little more time discussing what we call a balanced, intergovernmental funding system.

The status quo, of course, provides no change from the present system. But if the present system is characterized by a sub-standard pattern of public library services across the nation, one would hardly recommend its continuance. Moreover, the instability of the current funding picture makes it somewhat unclear as to whether status-quo means a continuance of LSCA, a new Federal initiative, a complete cut-off of LSCA funding, or some continuation of these sub-alternatives.

Retrenchment of the Federal financing role, to the extent that it differs from the status quo option, is of course an all too realistic possibility. We would argue that because of the present status of library services and the particular development pattern through which they have emerged - that there is a strong case to be made for a continuing, more vigorous Federal role.

One can make a national case for Federal funding take over at the 75-90 percent level. But, in addition to being totally politically unfeasible, it would also destroy or jeopardize the essential community base of the public library.

For the expanded state funding role at the 75-90 percent level, a stronger case can be made. After all, this kind of recommendation is currently in vogue as a response to the Serrano-Priest issue in public education financing. The central difficulty is, of course, how do you make it happen across the nation. And there are other problems as well.

Let me turn now to a brief outline of the 5th option - a balanced intergovernmental funding system.

Balanced Intergovernmental Funding System

The distinguishing feature of this alternative is indicated by use of the term "balanced" and the notion that such a system can be attained on a staged basis over time, or revised in accordance with new circumstances and changing developmental conditions. Such a notion is perfectly in accord with the definition of Federalism as a dynamic, not static, partnership of Federal, state and local governments. Moreover, the term "balanced," as used in the formulation of this option, does not refer wholly, or even primarily, to an equilibrium based on precisely measured fiscal resources. Rather, the word is intended to reflect the degree of fiscal and administrative commitment required by each level of government to achieve the content and quality of public library services commensurate with the needs of a modern society.

One feature of this alternative system would be designed to redress the obvious fiscal imbalance of the present system in which

local governments, collectively, provide more than 80 percent of the total cost of a sub-standard pattern of services. The rationale for this change reflects a response to a number of key factors previously cited: (1) public library services are at present inequitably distributed to serve total population needs; (2) local municipalities, particularly urban communities, are increasingly constrained in their fiscal ability to upgrade and expand, or even maintain, the present level of public library services; and (3) the inherent difficulty that public libraries have in developing the aggressive political constituencies and clout to win a higher proportion of tight local tax dollars.

Another feature would be directed toward defining and, to the extent possible, requiring an increased level of state fiscal support for public library services. Clearly, for reasons already discussed, the state is the logical and appropriate agency to assume primary responsibility for the maintenance and progressive development of such services. It has both the mandate and the untapped fiscal resources to do the job. Observers of the LSCA program over the years have pressed for increased utilization of these funds to establish and equip viable state library administrative organizations, and they were on point.

Still another feature would establish a Federal administrative and fiscal involvement substantially greater than the LSCA design. The Federal government would establish the planning and administrative capability to prepare its own national plan

and program. The Federal funding program would be at a level commensurate with the task of inducing a higher level of state support, and in a form designed to insure that kind of state response. States would be required to prepare and submit plans specifying their objectives and action agendas to achieve defined goals. Plans would be substantively reviewed, approved and audited to evaluate progress toward defined goals and to determine eligibility for future funding.

To some, this formulation of a Federal role might seem a replication of the LSCA design. It is not. What is proposed is a new and broader kind of Federal commitment geared to nothing less than an expanded and improved pattern of public library services for the nation. The intermediate and implementing objective is to insure development of an intergovernmental fiscal support system capable of achieving that goal. The expensive and efficient "floor" payments under LSCA would be jettisoned in favor of payments geared to a fixed, perhaps decreasing, percentage of adjusted standard costs applied to plan approved programs and services. State and local ability to support such services and developmental programs would be taken into account. The plan device would be strengthened and would be used, in expanded scope, as the basis for goal-oriented Federal-state administrative and fiscal relationships.

The inevitable question arises: what should be the level or range of Federal, state and local governments sharing in this kind of upgraded program? In this connection it should be

pointed out that the question should be addressed in terms of a total expenditure level moving steadily upward from $814 million toward something approaching the $2 billion figure cited earlier. To achieve this progression over the time, perhaps 10 years, required to establish upgraded and expanded public library services, it would seem logical to use a staged approach. In such a formulation, the Federal proportion could start at a level of 30 percent of total cost and decrease to 20 percent over the time period. The state proportion could start at 20 percent and increase to 50 percent, and the local level could start at 50 percent and decrease to 30 percent. This kind of approach (the figures are not intended to be precise) would insure immediate relief for the over-taxed local jurisdictions, provide increased funds from state and Federal governments to launch needed program improvements and also provide for a strategic intergovernmental fiscal support system capable of achieving the goal over a ten year period of time. The ultimate degree of involvement, as represented by the final percentage figures - 20 percent Federal, 50 percent state, and 30 percent local - reflects adequately an appropriate level of continuing interest and involvement by each governmental level.

The plan outlined is not intended as a precise prescription. It can be faulted, perhaps, as being impractical, even visionary in approach and design. It is intended, however, as a broad outline representative of the key features of an alternative funding system which accords with the scope, content and

quality of the public library program envisioned in this report. Moreover, it provides a broad promise of a progressively improved public library program and rather immediate relief from the unbalanced present system under which the demise of the public library institution can be anticipated with reasonable certainty.